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MEMORANDUM FOR THE RECORD

SUBJECT: Concurrence in Amendment No. 1 to Contract No. SH-511 with Shell Oil Company, New York, N.Y., Project REDLIGHT (OXCAR)

1. This memorandum contains a recommendation submitted for concurrence of the undersigned. Such recommendation is contained in Paragraph 5.
2. Contract No. SH-511 covers the procurement of fuel (PF-1) for installation in tank farms at OXCART Staging and/or Tanker Bases. Amendment No. 1 procures 500,000 gallons of fuel and delivery thereof to Castle AFB, California, at a price of \$.3025 per gallon F.O.B. destination or a total price of \$151,250.00. The negotiation of this price was conducted by the Air Force and is considered fair and equitable with respect to type and quantity being delivered.
3. Amendment No. 1 obligates an additional sum of \$151,250.00 chargeable in FY-1963 to Project REDLIGHT Funds transferred from the Air Force for this purpose. By concurrence to this memorandum the Chief, Budget & Finance Branch, signifies that sufficient funds are available for this obligation. x761-0571-0001
4. The services and equipment being procured by this Amendment No. 1 are in furtherance of the OXCART Program, the nature of which cannot be publicly disclosed for security reasons. The undersigned Contracting Officer therefore determines that this procurement must be accomplished by negotiations pursuant to the authority of Section 3(a) of PL 81-110 and Class Determination and Finding, OXC-2122, signed by the DDCI on 25 October 1961.
5. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956, which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress (formerly 10(b) - see 85-507 dated 7/7/58) for each contract.

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6. Concurrence in Amendment No. 1 to Contract No. SH-511 is recommended.

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Contracting Officer, OSA

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CONCURRENCES:

C/BFB/OSA

28 June 69
DATE

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151
JOHN PARANGOSKY
D/Tech/OSA

29 June 69
DATE

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OGC

29 June 69
DATE

CD/OSA-DD/R **sjj**
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2 - BFB/OSA
3 - RB/OSA

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